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FOREIGN MARKET DEVELOPMENT SECTION

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TRADE AND INDUSTRY DIVISION

ONTARIO DEPARTMENT OF TRADE AND DEVELOPMENT

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Ontario
Trade & development dept.
FOREIGN MARKET STUDY

YUGOSLAVIA

YCP
September 1970

Prepared by:

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F O R E W O R D

Export marketing research is a subject of considerable interest to our Department, to Ontario manufacturers and to businessmen who may be interested in exports. The Foreign Market Studies which are undertaken by our Section, are written for the use of our Trade and Industry Division, and specifically by our Marketing Branch and Trade Mission members. These studies depict the economic background of the countries that will be visited. For this reason our Foreign Market Studies are, in the first instance, working documents designed for the use of the Department and cannot be taken in their entirety as expressing the opinion or position of the Department of Trade and Development.

Equivalents of metric, Imperial and U.S. units of measure

Metric Units		Imperial and U.S. Equivalents		Imperial and U.S. Units		Metric Equivalents
<u>Length -</u>						
1 centimetre (cm).....	0.394	inch	1 inch.....		2.540	cm
1 metre (m).....	{ 3.281	feet	1 foot.....		30.480	cm
	{ 1.094	yard	1 yard.....		0.914	m
1 kilometre (km).....	{ 0.621	mile	1 mile.....		1609.344	m
	{ 0.539	int. naut. mile	1 International nautical mile.....		1852.000	m
<u>Area -</u>						
1 square centimetre - cm ² ..	0.155	square inch	1 square inch.....		6.451	cm ²
1 square metre - m ²	{ 10.764	square feet	1 square foot.....		9.290	dm ²
	{ 1.196	square yard	1 square yard.....		0.836	m ²
1 hectare - ha.....	2.471	acres	1 acre.....		0.405	ha
1 square kilometre - km ² ...	0.386	square mile	1 square mile.....		2.589	km ²
<u>Volume -</u>						
1 cubic centimetre - cm ³	0.061	cubic inch	1 cubic inch.....		16.387	cm ³
1 cubic metre - m ³	{ 35.315	cubic feet	1 cubic foot.....		28.317	dm ³
	{ 1.308	cubic yard	1 cubic yard.....		0.765	m ³
<u>Capacity -</u>						
1 litre (L).....	{ 0.879	Imp. quart	1 Imperial British quart.....		1.136	L
	{ 1.057	U.S. liq. quart	1 U.S. liquid quart.....		0.946	L
	{ 0.908	U.S. dry quart	1 U.S. dry quart.....		1.101	L
	{ 21.997	Imp. gallons	1 Imperial gallon.....		4.546	L
	{ 26.417	U.S. gallons	1 U.S. gallon.....		3.785	L
1 hectolitre (HL).....	{ 2.749	Imp. bushels	1 Imperial bushel.....		36.369	L
	{ 2.838	U.S. bushels	1 U.S. bushel.....		35.239	L
<u>Weight or Mass -</u>						
1 kilogramme (kg).....	{ 35.274	av. ounces	1 av. ounce.....		28.349	g
	{ 32.151	troy ounces	1 troy ounce.....		31.103	g
	{ 2.205	av. pounds	1 av. pound.....		453.592	g
			1 centerweight (100 lb.).....		45.359	kg
			1 hundredweight (112 lb.).....		50.802	kg
1 ton -	{ 1.102	short tons	1 short ton.....		0.907	t
	{ 0.984	long tons	1 long ton.....		1.016	t

TABLE OF CONTENTS

	<u>Page No.</u>
MAP OF YUGOSLAVIA	1
MARKET INDICATORS	2
INTRODUCTION	3
GENERAL INFORMATION	5
1. Geography and Climate	5
2. Human Resources	5
3. Constitution and Government	6
STRUCTURE OF THE ECONOMY	8
1. General	8
2. Agriculture, Forestry and Fishing	10
3. Industry	12
4. Mining	21
5. Finance	22
6. Utilities	23
7. Tourism	25
FOREIGN TRADE	27
1. The Structure of Yugoslav Foreign Trade	27
2. Analysis of Yugoslav Imports	28
3. Analysis of Yugoslav Exports	30
CANADIAN TRADE WITH YUGOSLAVIA	32
1. Canadian Trade	32
2. Ontario Exports to Yugoslavia	32
ECONOMIC AND TRADE POLICY	34
1. Planning	34
2. Foreign Trade Regulation, Tariffs and Taxes	35
3. Marketing Channels	35
4. Promoting products	36
5. Licensing, Joint Venture, Patents	36

TABLE OF CONTENTS
Statistical data

	<u>Page No.</u>
Table I Yugoslav Trade by Major Contries	39
Table II Yugoslav Trade by Major Economic Activities	40
Table III Ontario Domestic Exports to Yugoslavia by Commodities	41
Table IV Canadian Domestic Exports to Yugoslavia by Commodities	43
Table V Canadian Imports from Yugoslavia by Commodities	45

YUGOSLAVIA



Market Indicators

	<u>Yugoslavia</u>	<u>Canada</u>
1. Population (1969)	20.2 million	21.1 million
2. GNP (1969)	\$9.68 billion	\$78 billion
3. Passenger cars in use	439,892 (1968)	6.2 million (1969)
Telephones in use	50,500 (1967)	8.4 million (1969)
Television sets in use	101,000 (1967)	7.3 million (1969)
4. Major Industrial Production (1969)		
-Steel	2.1 million tons	10 million tons
-Cement	3.5 million tons	7.4 million tons
-Motor vehicles	80,454	1.3 million
-Electricity	22.9 billion kwh	190 billion kwh
5. Trade (1969)		
Exports	\$1,591 million	\$15.0 billion
Imports	\$2,300 million	\$14.2 billion

INTRODUCTION

Yugoslavia is a country of twenty million people, with a GNP of \$9.7 billion. Under the Socialist rule of President Tito, it has experienced a long period of political stability which provided a healthy environment for economic development. Industrial production nearly doubled between 1961 and 1969, as shown below:

Index Number of Industrial Production, 1961-1969

1961	100
1962	107
1963	123
1964	143
1965	155
1966	161
1967	161
1968	171
1969	190

Source: Statistical Pocketbook of Yugoslavia, 1970

Currently, the principal objective of Yugoslav economic policies is industrial growth, and this is expected to remain so throughout the 1970's. This, together with the fact that Yugoslavia is suffering from chronic balance of payments deficit, defines the pattern of Yugoslav trade policies. Thus, Yugoslavia will continue to need imported capital goods, technically sophisticated equipment, and industrial expertise; high priority in the allocation of foreign exchanges is expected to be accorded importers of these goods.

Yugoslavia is not a member of the COMECON, but its trade with the latter is significant. It has a trade and tourist agreement with the EEC.

The current economic boom, which started in early 1968, is showing signs of overheating, and tightened credit control is being implemented. As credit policies tend to produce over-reaction causing stagnation, in an attempt to control inflation (and vice versa), reactivation of fiscal policies is being considered. This will, if implemented, supplement monetary policies for counter-cyclical purposes.

In 1969, persons seeking employment numbered 335,000, constituting 8% of the total workforce of 4,037,000. Price inflation was most serious in 1965 and 1966, during which time general retail prices rose 29% and 23% respectively. However, in 1967, 1968 and 1969, the

speed of price advances slackened: in 1967, prices rose 7% compared with the previous year, and in 1968 and 1969, the price rise was 4% and 7% respectively.

The economic development plan of 1966-1970 was devoted to interalia, "steady rise in the standard of living, particularly personal consumption, together with an increased proportion of personal incomes in the distribution of national income", and "stabilization of the economy, domestic currency and prices". Convertibility of the dinar through increased participation in trade was also high on the agenda, though a continued presence of half a billion dollar trade deficit presents some difficulty. In order to achieve the above goals, correction of "discrepancies in the structure of productive facilities, irregular supply within industrial materials, underdeveloped specialization, cooperation and integration of production, inadequate investment in the modernization of technology and up-to-date organizational work and development of scientific research, and insufficient orientation towards international economic cooperation".

In the 1971-1975 five-year plan, a similar pattern of emphasis can be expected to continue. The first draft of this new plan was released in January, 1970. It envisages an 8% annual growth rate in the Gross Social Product, mostly as a result of improved productivity, which is expected to rise by more than 5% a year. The rest is expected to come from the natural increase in the labor force (2.5% or 3% per year).

GENERAL INFORMATION

1. Geography and Climate

At the northwestern corner of the Balcan, facing the Adriatic Sea to the west, Yugoslavia is a country with unique geographic position and historic and cultural background. It occupies 98,766 square miles, and can be divided into roughly two topographically distinct regions: highlands and mountains, which make up 75% of the country, and the plains and lowlands, which account for the remaining 25%. To its north and northwest are Hungary, Austria and Italy, and to its south and southeast are Albania, Greece and Bulgaria. Romania is its eastern neighbour. The Adriatic Sea, to its west, has been and still is an important link between Yugoslavia and the rest of the world.

Yugoslav rivers belong to three major watersheds; Adriatic (21.5%), Aegean (9.5%), and Black Sea (69%). Several important European waterways, including the Danube, pass through the country, connecting the interior of the country with the Adriatic, Aegean and Black Seas.

The population of Yugoslavia was estimated to be about 20.4 million in 1969, and the major cities are (population in thousands, 1965):

Belgrade	697	Skopje	228
Zagreb	503	Ljubljana	182
Sarajevo	227	Novi Sad	126

There are three distinct types of climate in Yugoslavia. The narrow belt along the Adriatic has a Mediterranean climate with hot dry summers and mild rainy winters: The Alpine climate, with short cool summers and long cold winters with heavy snowfalls: A Continental climate with hot summers and cold winters prevails in the northern part.

2. Human Resources

Yugoslavia has great ethnic and religious diversity: there are five major nationalities: Serbs, Croats, Slovenes, Macedonians and Montenegrins. In addition, there are important minority groups which include Shiptars (Albanians), Hungarians, Turks, Slovaks, as well as Czechs, Bulgarians, Italians, Germans and Russians.

Prior to World War II, 75% of the population lived by agriculture, but today 50% are employed in industry. During the period 1949-60, an estimated 177,000 people migrated from rural to urban areas, and this trend has been continuing.

As a result, there is a large number of 'disguised' unemployed, as well as underemployment, among the unskilled farmers who have abandoned their land for industrial jobs.

The number of people employed was estimated to be 3.7 million in 1968. Unemployment was higher in 1969 than 1968. The distribution of employment is shown in the table below:

Distribution of Employment by Sectors, 1967-69
(thousand persons)

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Manufacturing	1,352	1,348	1,399
Agriculture	276	255	250
Forestry	69	66	69
Construction	312	322	336
Transport	249	254	260
Trade and Catering	366	379	408
Arts and Crafts	237	241	246
Public Utility	111	118	108
Non-Economic Activities	<u>589</u>	<u>601</u>	<u>626</u>
Total Employment	<u>3,561</u>	<u>3,584</u>	<u>3,702</u>
Persons Seeking Employment	<u>269</u>	<u>311</u>	<u>335</u>

Source: Statistical Pocket Book of Yugoslavia

The emigration of workers to seek better-paying jobs in Western Europe is high, though many workers returned to Yugoslavia in 1968-1969, when Western Europe experienced a recession. Accurate statistical data are not available, but the number of migrant Yugoslav workers in Western Europe in 1969 was estimated to be nearly half a million.

3. Constitution and Government

There are four levels of government in the federal state of Yugoslavia: Federal, Republic, District and Commune. A single party - President Tito's Communist Party - controls the Government. All economic decisions are made by the Federal and Commune governments, though the main political power lies in the hands of the Federal government, which receives 60% of total budgetary revenue.

The new constitution, promulgated in April 1963, reaffirmed the socialist character of the Yugoslav nation, including public ownership of the means of all production except small handicraft and small farm holdings. The autonomous management by labor does not give the members of labor organizations absolute control over production machines, as the latter is deemed to belong to the community as a whole.

In 1966, the Potilburo was abolished and was replaced by the Presidium and the Executive Committee. The Head of State is the President of the Republic, elected by the Federal Assembly. The latter is comprised of 670 deputies and is divided into five chambers. The current Head of State is Marshall Josip Broz Tito, life President of the Republic.

STRUCTURE OF THE ECONOMY

1. General

The Yugoslav economy is experiencing a boom which had its beginning in 1968. Industrial production in 1969 was 11% above the level of 1968, while the productivity of industrial workers showed an estimated increase of 7%.

The economic system, a mixture of public ownership, state control and self management, is now in a difficult process of change into market socialism. However, the outlook is very promising. The principal objective in Yugoslav economic policy has been, and still is, industrial development. The general goal of long-term (5-year) economic planning is the attainment of a 9.1% annual growth increase in real national income.

National accounts are computed in Marxist terms. Social product equals national income plus depreciation roughly equivalent to the Western concept of gross national product. National income represents the value of goods and productive services, including turnover taxes and services such as transport and communications contributing directly to material production but excludes public administration, defence, and personal and professional services. The Yugoslav national accounts for the period 1964-68 are shown in the following table:

Yugoslav National Accounts, 1964-1968

<u>Total: bn dinars</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
At current prices	61.0	79.5	99.0	103.3	112.2
At constant (1960) prices	40.2	41.5	45.0	45.8	...
Real increase (%)	12.9	3.2	8.1	1.8	...
<u>Per head: bn dinars</u>					
At current prices	3.16	4.12	4.95	5.17	5.55
At constant (1960) prices	2.09	2.13	2.28	2.30	...
Real increase (%)	11.8	1.9	7.0	0.9	...

Source: Statistical Yearbook of Yugoslavia.

Industrial Origin and Expenditure of Social Product : 1965

<u>Industrial origin</u>	<u>bn dinar</u>	<u>% of total</u>	<u>Expenditure</u>	<u>bn dinar</u>	<u>% of total</u>
Agriculture & forestry	27.5	26.5	Consumption	68.0	65.5
Industry	35.5	34.2	Gross fixed investment	30.6	29.5
Construction	8.3	8.0	Stock changes & statistical discrepancy	6.5	6.3
Transport	8.6	8.3	Net exports of goods & services	-1.4	-1.3
Trade & catering	17.6	17.0	Total	103.7	100.0
Handicrafts & others	6.2	6.0			
Total	103.7	100.0			

Source: Statistical Yearbook of Yugoslavia, 1969

Regional disparity in the standard of living is considerable, as can be seen from the table below:

Regional Distribution of Social Product, 1965*

	<u>Total</u>		<u>Per head</u>
	<u>bn dinar</u>	<u>% of total</u>	<u>'000 dinar</u>
Serbia	41.1	39.6	5.3
Croatia	27.7	26.7	6.7
Slovenia	15.5	14.9	9.7
Bosnia & Hercegovina	12.1	11.7	3.7
Macedonia	5.5	5.3	3.9
Montenegro	1.8	1.8	3.8
Total Yugoslavia	103.7	100.0	5.6

*Per capita income estimated on the basis of 1961 population census.

Source: Statistical Yearbook of Yugoslavia, 1969

As a result of the present boom, signs of overheating are causing some concern: although wages and incomes rose by 19% in 1969, the real increase in earnings was reduced to only 3% by rising price levels. In order to maintain internal stability and international viability, a form of credit policy is being re-introduced. the OECD, however, is recommending the re-activation of counter-cyclical monetary and fiscal policies as these are more pervasive and less likely to result in over-reaction.

Aside from the threat of inflation, the major problem confronting Yugoslavia is "uncertainty". The ambitious economic reforms undertaken since 1965 have produced uncertain results; this, and the conflicting interpretations of the new five-year plan 1971-1975, strengthens the uncertainty in calculations and judgements by the decision makers under the "self-management" scheme.

On the bright side, trade agreements with the EEC (to be described in more detail later) offer opportunities for Yugoslav exports, if inflation can be prevented from impairing the international competitiveness of Yugoslav products.

A more open economy is planned by the Federal Executive Council, which provides the guidelines for the new development plan, 1971-1975. Among the important steps toward an open economy is the plan to make the dinar convertible and to define the criteria for export tax exemptions and import allocations. The latter is designed to enable the economic agencies to have a better view of where they stand vis a vis export benefits and foreign exchange availability.

2. Agriculture, Forestry and Fishing

Agriculture. Yugoslavia has approximately 23.9 million hectares (1 hectare = 2.471 acres) of agricultural land. Of this, about 62% consists of arable land, meadows, pastures and vineyards, and the rest is forest.

Land use is expected to decline further as Yugoslavia proceeds with her industrialization and urbanization programme. Also, the more intensive and mechanized method of cultivation will accelerate this tendency.

Before the Second World War, Yugoslavia was chiefly an agricultural country. Since 1946, the share of agriculture has steadily declined: before the war, about 49% of national income was derived from agriculture and forestry, but in 1965, only 26.5% of social product originated from these sectors. Yet, agriculture is a significant sector, employing nearly half the working population.

Private production still accounts for a considerable part of Yugoslav agriculture, though private ownership of land is restricted to under 10 hectares (about 25 acres). Privately owned farms are not entitled to price subsidies and are precluded from the acquisition of modern farm equipment. Some 90% of land is under the private ownership of 2.6 million farmers. This excessive subdivision, together with the above-mentioned restrictions, contribute to inefficient production in the Yugoslav agricultural sector.

Although the bumper crop of 1969 showed a record high grain yield of 4.9 million tons of wheat and 7.7 million tons of maize, the numbers of cattle and pigs declined. As a result the meat shortage worsened, and 750 tons of pork had to be imported from Rumania.

The main crops of Yugoslavia are wheat and maize. The table below shows the quantities of main agricultural production in 1968-1969.

Crop Production, 1968-1969
Thousand Tons

	<u>1968</u>	<u>1969</u>
Wheat	4,360	4,880
Rye	138	135
Maize	6,810	7,794
Hemp	73	85
Tobacco	44	42
Sugar beet	2,910	3,711
Potatoes	2,890	3,055
Plums	721	1,296
Apples	304	396
Grapes	1,270	1,493

Source: Statistical Pocketbook of Yugoslavia 1970

Livestock Production, 1967-1968

		<u>1967</u>	<u>1968</u>
Beef	(thousand tons)	239	269
Pork	"	309	323
Mutton	"	50	55
Fowl	"	95	107
Crude fats	"	186	205
Milk			
Cow's	(million litres)	2,529	2,554
Ewe's	"	184	182
Wool	(tons)	13,841	13,523
Eggs	(millions)	2,126	2,186

Source: Statistical Pocketbook of Yugoslavia 1970

In 1968, 1.9 million tons of fertilizer were consumed, of which 874 thousand tons were nitrogenous, 767 thousand tons were phosphatic, and 276 thousand tons were potassic. There were 43.5 thousand tractors in use in Yugoslavia (1969).

Forestry. At the end of 1968, there were 8.87 million hectares of forest land, of which 6.2 million were socially owned and 2.6 million were privately owned. The output of forest products was, in 1969, as follows:

Output of Forest Products, 1969 ('000 M³)

Saw logs	4,648
Veneer logs	328
Pulpwood	1,585
Pitwood	493
Fuel wood	2,136
Other	473
Total	9,663

Source: Statistical Pocketbook of Yugoslavia 1970

There has been a steady decline in the output of forest products: in 1966, the total production of timber was 10.31 million cubic metres, but in 1969 this fell to only 9.66 million.

The forest based industries - woodworking, furniture, construction - accounted for approximately 11% of total Yugoslav exports in 1969.

Fishing: Being a country with a fairly long and fertile sea coast, Yugoslavia has a sizable fishing industry. There is also considerable fresh-water fishing in the rivers and lakes of Yugoslavia, and there are 28 fish-canning factories. The fish catch of 1967-1968 is shown below:

	<u>1967</u>	<u>1968</u>
	tons	
Freshwater fish	17,861	15,007
Seafish	30,133	29,958
Shellfish	1,054	964

Source: Europa Yearbook

3. Industry

When considering Socialist countries as a whole, Yugoslavia's industrial institutions are unique: the system of self-management. Each enterprise can, within broad limits, determine both the selling price of its products and at the same time decide the income that is distributed among its personnel. However, the means of production is nationalized in all industries except small handicraft. The new Constitution reaffirms this socialistic character of the state and private handicraft enterprises are not permitted to employ more than five workers. At present, a proposal to increase the number of employees to 10 is under consideration. Yugoslavia is hoping to improve its industrial efficiency and international competitiveness through cooperation with the West by way of technical partnerships, joint ventures and invitations to direct investment. This is leading to increasing domestic as well as foreign investment in Yugoslavia. Ideologically opposed to foreign capital and capitalists establishing their firms and running them, Yugoslav authority has in the past resorted to loans to make up for the shortage in capital, of which the Skoplje Steel works is a prominent example.

However, the limited amount of available loans was not adequate to fulfill the Yugoslav capital requirement, and the large repayments of interest and principal imposes great strain on Yugoslav balance of payments. With the increased need for capital, it was realized that the Foreign Investment Law of 1967, which allowed foreign participation of no more than 49%, was inadequate and unrewarding for foreign investors. A newly set up International Investment Corporation for Yugoslavia, a consortium of various banks sponsored by the International Finance Corporation in London, may produce better results, as it is designed to provide "lubricant" loans in addition to helping foreign investors evaluate their prospective projects. In a recent step to further encourage foreign investment, the Yugoslav Government has passed legislation permitting foreign investors to utilize 33% of the convertible currency earnings from joint ventures for profit repatriation or amortization. Easing of the compulsory re-investment requirement is also being reviewed.

The World Bank continues to help Yugoslavia with loans for setting up infrastructure for economic development. Recently, it has extended a \$40 million loan for modernization of telecommunications, \$30 million for industrial expansion, railroad construction and transit infrastructure on the South Adriatic coast. Total World Bank participation in Yugoslavia as of March 1, 1970, was \$427.6 million. Naturally, these credits offer opportunities for bidding by Ontario firms in the fields where these funds will be used. More important, these loans signify the continuing confidence by the World Bank in the potential growth and stability of Yugoslavia.

While capital investment increased 19% in 1969, the greatest emphasis is being placed on investments in tourism, transportation, construction and agriculture. Despite a substantial increase in total investment, those in industry and mining remained at 1968 level. This is because of the emphasis on infrastructure. As most Yugoslav enterprises are seeking to secure official approval in the 1971-75 Development Plan, this year will prove to be a year of decision in which the pattern of the future will be determined.

Agriculture is still the major sector in the Yugoslav economy despite the limitation of private holdings to the cultivator. Over half of the population is closely connected with the land. Industrial development planning, places major emphasis on developing light industries which process agricultural, forest and dairy products.

As Yugoslavia steps up its minerals exploration and exploitation, the demand for mining equipment and minerals processing machinery will increase rapidly. Particularly interesting are exploration in nickel, antimony, aluminum (bauxite), and manganese.

The index of index of industrial production for the period 1965-1969 is as follows:

<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
100	104	104	110	123

Source: Statistical Pocket Book of Yugoslavia, 1970

In manufacturing, the most important item is metal manufactures, which accounted for 15.9% of total industrial production in 1969. It is followed by textiles (11.0%), chemicals (7.0%) and electricity generation (6.9%). The details of 1969 industrial output are shown below:

Breakdown of Yugoslav Industrial Production, 1969

<u>Items</u>	<u>Million Dinars</u>	<u>Million C\$</u>	<u>%</u>
Electricity	2,749	237	6.89
Coal and coke	1,624	140	4.07
Crude petroleum	2,138	185	5.36
Ferrous metallurgy	1,381	119	3.46
Non-ferrous metallurgy	2,000	173	5.02
Non-metals	916	79	2.30
Manufactures of metals	6,348	548	15.92
Shipbuilding	790	68	1.98
Electrical and Mechanical equipment	2,455	212	6.16
Chemicals	2,804	242	7.03
Building materials	1,412	122	3.54
Manufacture of wood	2,445	211	6.13
Manufacture of paper	719	62	1.80
Manufacture of textiles	4,386	379	11.00
Manufacture of leather	1,003	87	2.52
Manufacture of rubber	704	61	1.77
Food manufactures	2,653	229	6.66
Printing and publishing	1,835	158	4.60
Tobacco	1,033	89	2.59
Movies	135	11	0.34
Miscellaneous	331	29	0.83
Total	39,863	3,440	100.00

a. Food Processing Industry

Food manufacturing industries accounted for 6.66% of total industrial production in 1968, and accounted for 7.4% of industrial employment.

While input-output analysis shows that the output of the food processing industry contributes little to other branches of the Yugoslav economy as their inputs, it is shown that this industry is an important recipient of the outputs of other industries, most important of which include chemicals, paper, metal products, electrical products, and wood products. It also makes substantial use of transport services and energy supplies.

Practically all types of fruits and vegetables flourish in Yugoslavia, but the most important are cereals (wheat, maize, rice, barley and oats), oil-bearing plants (sunflowers, cole-seeds, olives, soya beans, flax and opium poppies), beet, and sugar hops. There are about 240 factories, highly specialized and widely spread over the entire country. In addition, there are 57 refrigeration units (total capacity: 120,000 tons) and other storage facilities. Most of the flour-milling facilities are located near production areas, or major sea ports. Annual milling is in the neighborhood of 2 million tons. The 13 major sugar refineries, 23 sunflower seed and cole-seed processing plants, the roughly 50 fruit preserving and canning plants and vegetable processing plants, are located close to the river valleys where the raw materials are produced.

Slaughterhouses and meat-processing plants are concentrated in the northern and northeastern plains, but recently there are new abattoirs developing rapidly along the Adriatic coast. On the whole, the capacity of the food processing industry is expanding steadily. In 1967, the production figures of major items are as follows:

Farinaceous food	43,000 tons	Sugar	408,000 tons
Vegetable oils	115,000 tons	Distilled spirits	27,000 tons
Conserved meats	53,000 tons	Canned vegetables	46,000 tons
Salami	48,000 tons	Canned fruits	56,000 tons
Preserved fish	18,000 tons		

On the average, however, only about 15.4% of all agricultural products are used by the food processing industry as raw materials, and are processed locally or centrally. This indicates that there is a wide gap between the extremely favorable natural as well as economic environment offered to the food processing industry and the actual exploitation of this opportunity.

Yugoslavia's mixed feed industry has recorded impressive growth in recent years. As a basically corn-livestock country, it harvested about 268 million bushels of corn in 1968, exporting about 15 million bushels. It imported 99,545 tons of soybean meal, 34,065 tons of peanut meal and 10,430 tons of sunflower seed meal to be mixed for livestock feed.

b. Motor Vehicle Industry

There are fewer cars in Yugoslavia on a per capita basis, than most Western European countries, but it is also estimated that

the effective demand is expanding by about 30% per year. This is expected to be met in late 1970 by the additional production of 180,000 new passenger cars. Now the Yugoslav motor vehicle industry is slowly getting out of the "screwdriver" (or assembling) stage and moving into manufacturing.

Fiat, in partnership with Crvena Zastava of Kragujevac in Serbia, was the first to begin producing private cars, the 750 model Fico. It was almost the only car available to Yugoslavia for many years. The 1300 model is also being produced by the same plant, and 70,000 passenger cars are expected to be produced this year.

In 1970, an ambitious programme for auto manufacturing has been announced: between 1970 and 1973, an estimated \$100 million of investment is envisaged, 25% of which is to be contributed by foreign sources. The World Bank is providing about \$30 million in credit for suppliers of equipment for the new programme. An output of 150,000 vehicles, including commercial vehicles, is planned for 1973, with the long-term objective at 200,000 vehicles per year. The standard Yugoslav national car has an engine of 1200 to 1300 cc. In order to produce this car, modern technology is being sought in many countries.

- Volkswagen Werke has signed a 10 year contract with the UNIS in Sarajevo, for production of the Volkswagen, NSU and AUDI cars and parts in Yugoslavia, challenging the prominent position of the Fiat. All vehicles produced in this joint venture carry the VW trademark and are sold both in and outside Yugoslavia. In addition, British Leyland Motors have begun a small but promising venture with IMV of Novo Mesto in Slovenia, for the assembly of Austin cars.

Commercial vehicles up to the capacity of two tons are being produced by Crvena Zastava. In the production of heavy commercial vehicles of up to 6 tons or over, FAP-FAMOS in Beograd have a joint capital investment and licensing agreement with the West German Daimler-Benz. TAM in Maribor, Northwestern Yugoslavia, is planning an annual output of 7,000 trucks, fire engines, buses, etc. by the end of 1970. Export earnings from these enterprises are expected to be \$5.5 million in 1970, compared with \$4 million in 1969. TAM is also making fuller use of the expanding cooperation with Deutz of Western Germany in the production of engines in the range of 110 - 170 hp. Deutz is also helping the export of these products in Western Europe.

Yugoslavia's emerging motor vehicle industry has proved to be a profitable and reliable market for joint ventures, and opportunities are still excellent, as the country, more than ever, is in need of advanced technology and expertise.

c. Shipbuilding

The Yugoslav shipbuilding industry has continued its expansion since the post-war recovery. Now it has an output of 500,000 GRT,

with the capability to build a ship of 90,000 TDW.

The major shipyards are located along the Adriatic coast. In order of size, they are: 3 Maj in Rijeka; "Uljanik" in Pula; Split; Mosor at Trogir; Tito's Yard at Kraljevica; the repair yard Viktor Lenac in Rijeka (Martinscica); and the Tito Yard on the River Sava, Belgrade. They all belong to the Jadranbrod, headquartered in Zagreb. The three largest yards also produce marine engines under licence from Burmeister, Sulzer Bros. and M.A.N.

Yugoslav shipbuilding is highly regarded among the world's shipbuilding countries, and accounted for 2 to 3% of total world production, according to Lloyd's shipbuilding data. In spite of heavy international competition, Yugoslav shipyards are well endowed with orders, and the growing popularity of Yugoslav-built ships can be seen from the proportion of ships exported:

1961	53%
1962	83%
1963	82%
1964	76%
1965	90%
1966	61%

Thus, Yugoslav ranks as one of the few countries building ships primarily for export. Lybia, which has no merchant fleet of its own, has asked the Split shipyard, Atlantska Plovidba of Dubrovnik and the Yugoslav Foreign Trade Bank to prepare a proposal to build an entire fleet. This programme provides for the construction of two 1,600 ton ships and two 3,000 ton ships, among others, to carry Lybian oil.

With the installation of automatic transportation and processing systems of steel sheets, the productive capacity of the Split shipyard is expected to expand by 30%.

In 1968, there were 19 enterprises engaged in the shipbuilding industry, employing 21,404 persons.

d. Chemicals

The Yugoslav chemical industry doubled its output between 1964 and 1969, making it the fastest growing and most prosperous. The most important are pharmaceuticals, synthetic materials and fibres, and basic chemicals. Capacity utilization is also very high: 85% in basic chemicals and 75% in pharmaceuticals. Operating capital is growing at 30.7% a year. A brief list of comparative production figures will show the pace of expansion:

Output of Major Chemical Products, 1965 and 1970
Tons

	<u>1965</u>	<u>1970 (Est)</u>
Sulphuric acid	480,000	1,050,000
Calcinated soda	75,000	175,000
Phosphorous fertilizers (16.5% P ₂ O ₅)	1,300,000	2,500,000
Nitrogenous fertilizers (20% N)	580,000	2,500,000
Viscous fibre (capacity)	58,000	80,000
Synthetic fibre	4,500	10,500
Synthetic materials	20,000	100,000

In spite of this rapid pace, certain chemicals continue to be imported, and the value of imported chemicals increased from \$189 million in 1967 to \$212 million in 1968 and \$250 million in 1969. The largest item of imports (46% of total) is petrochemicals. This is expected to be somewhat ameliorated because of discoveries of rich oil fields along the Adriatic and the Pannonian Plain, though at the moment nothing is being done in the way of establishing a petrochemical industry. The major stumbling block is the conflict of interest between exploring enterprises and the government. The IBRD in Washington approved in principle a very sizeable loan, but the insistence on the part of the Yugoslav government on unified, rational programme of development may cause some delay.

In 1968, chemicals accounted for 7.03% of total industrial production, and employed 70,875 persons.

e. Iron and Steel Industry

Though well developed, the Yugoslav iron and steel industry faces the problems of integration and rationalization. The production figures are as follows:

Yugoslav Iron and Steel Outputs
(thousand tons)

	<u>1939</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Iron ore	667	2,580	2,720	2,721
Pig iron	101	1,177	1,201	1,198
Steel	235	1,832	1,997	2,078
Rolled steel	151	1,176	1,510	1,661
Extruded goods	3	122	125	154

Source: Statistical Pocketbook of Yugoslavia, 1970

Despite this marked growth, the output of ferrous products is still not sufficient to meet domestic requirements. Imports of steel and its products are in the order of 650,000 tons per year.

In 1968, there were 13 iron and steel plants in Yugoslavia. The largest plant, Skoplje Steelworks in Macedonia, was built with an initial capacity of 600,000 tons of ingots. The ferrous metals accounted for 3.46% of total Yugoslav social products, and employed 48,712 persons in 1968.

f. Electrical Products

It includes the manufacturing of heavy electrical equipment, power cables, semi-conductors, and durable consumer goods. Yugoslavia has produced and placed on sale for the first time color television sets. The TV was shown at the Zagreb Fair, and its present price is the equivalent of 7 months wages for the average worker.

The expansion of electrical equipment production in post-war years has been impressive. The greatest increase took place in the production of power transformers and thermic apparatus. The Yugoslav production of major electric apparatus and materials is shown below:

Output of Electrical Products, Selected Years 1939-1969

	<u>1939</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Rotating Machines (MW)	4.3	854	1,282	976
Power Transformers (1000 KVA)	0.0	4,671	5,068	5,045
Insulated Conductors (000) t.	0.6	91	81	80
Radio Receivers (000)	-	240	227	282
Television Sets (000)	-	252	286	334
Thermic Apparatus (tons)	48	27,940	30,664	38,627

Source: Statistical Pocketbook of Yugoslavia, 1970

In 1968, there were 78 enterprises in this industry. It accounted for 6.2% of total Yugoslav Social Product, and employed 84,502 persons.

g. Textiles

The major part of raw materials used in the Yugoslav textile industry has to be imported. Domestic production of wool satisfies less than 10% of requirements, domestic cotton 1.5% and the domestic output of man-made fibres accounts for about 7% of all textile requirements.

The most important textile product is cotton fabrics. Synthetic fibres are next in order of importance and this has great potential if and when a petrochemical industry is established. The production of the Yugoslav textile industry is as follows:

Production of Yugoslav Textiles, Selected Year, 1939-1969

	<u>1939</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Cotton Yarn (00)t.	19	93	95	96
Woollen Yarn (000)t.	6	32	30	34
Cotton Fabrics (mill m ²)	110	378	401	416
Woollen Fabrics (mill m ²)	12	52	50	49
Rayon Fabrics (mill m ²)	14	27	31	30
Knitwear (000) t.	1.8	14.1	14.3	14.8
Hosiery (mill pairs)	23	74	84	83
Readymade Underwear (mill.sq. yards)	5	69	73	79
Readymade clothing (mill.sq.yd)	1	40	45	49

Source: Statistical Pocketbook of Yugoslavia, 1970

The over-riding concerns in textile industry are efficiency, technical sophistication and stylistic improvement. Despite impressive gains, the Yugoslav textile industry is still backward as compared with advanced Western European countries.

h. Woodworking Industries

Yugoslavia has extensive and rich forests, and forest-based industries are important. It exports furniture, mainly to USSR, U.S.A., U.K. and East Germany.

Conifers are more important than hardwood, but its production remained fairly steady since 1939. The production of hardwood has increased threefold since 1939, and though still not the largest item, it is growing much faster than conifer.

Output of Yugoslav Forest-Product, Selected Years, 1939-69

<u>Wood Products</u>	<u>1939</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Sawn Conifers (000 cu.m)	1,542	1,576	1,742	1,780
Sawn Hardwood (000 cu.m)	380	1,327	1,248	1,263
Veneer (000 cu.m)	5	182	170	194
Plywood (000 cu.m)	13	90	87	97
Furniture (000 suites)	14	344	348	340
Bentwood Furniture (000 suites)	250	1,086	981	938

Pulp and Paper

Mechanical Woodpulp (000) t.	10	96	110	105
Cellulose (000)t.	28	360	358	370
Writing paper and newspaper (000)t.	19	202	230	230
Other paper (000) t.	16	240	237	267
Cardboard and Pasteboard (000)t.	13	88	98	102

Source: Statistical Pocketbook of Yugoslavia 1970

In 1968, wood products and paper industries employed 156,457 persons, and accounted for 9.67% of total Yugoslav social products.

4. Mining

Yugoslavia is rich in mineral resources. Its copper production is second only to the Soviet Union in Europe, and the outputs of lead, silver, bauxite and zinc are also significant. It also possesses domestic sources of nickel, antimony, chrome, bismuth, gold, platinum, and manganese.

Particular attention is being paid to the development of the national aluminum industry, so that it could stop the traditional pattern of exporting bauxite and importing aluminum. It is hoped that the production capacity of aluminum will increase from the present 48,000 tons per annum to 100,000 tons in 1970, and eventually to 150,000/200,000 tons by 1973.

High world prices of copper have encouraged Yugoslav production, and production increased to 82,000 tons in 1969, as compared with 70,500 tons in 1968 and 58,5000 in 1965. Refined copper production increased to 76,600 tons in 1969, but Yugoslavia is still a net importer of this item.

Internationally, Yugoslavia is best known for its zinc and lead exports, through the selling agency of Inex-Trepca. The reserves of zinc and lead are vast, and they are being explored and exploited with the help of foreign investment.

In the field of fuel, oil explorations along the Adriatic Coast and the Pannonian Plain have resulted in large strikes, and the International Bank of Reconstruction and Development has approved a large amount of loan, pending the working-out of satisfactory arrangements between the Yugoslav government and the enterprises involved.

The production of coal and coke is steadily declining over time, partly because excavation costs are increasing and partly because coal as a source of energy is being replaced by oil and natural gas.

Yugoslav Mineral Production, Selected Years, 1939-69

		<u>1939</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Coal and Coke					
Hard coal	(000 tons)	1,410	909	835	682
Brown coal	"	4,312	9,023	9,508	9,442
Lignite	"	1,310	16,535	16,389	16,373
Coke	"	-	1,219	1,234	1,226
Crude Petroleum and Derivatives					
Production	"	1	2,374	2,494	2,699
Processing	"	(97)	4,495	4,509	5,697
Iron ore	"	667	2,580	2,720	2,721
Non-Ferrous Metals					
Copper	"	12	66	70	82
Lead	"	11	94	95	107
Zinc	"	5	53	79	81
Aluminum	"	2	45	48	48
Mercury	(tons)	378	545	510	494
Rolled Copper Products					
	(000 tons)	0.6	53	55	60
Ferro Alloys	"	12	79	85	102
Non-metals					
Refractory materials	"	19	221	211	244
Flat glass	(million sq M)	2	16	13	15
Blown glass	(000 tons)	11	144	174	187
Ceramics	(tons)	742	9,030	8,590	7,477

Source: Statistical Pocketbook of Yugoslavia 1970

In 1968, the mining sector accounted for over 20% of industrial production, and employed 180,000 persons.*

5. Finance

The Yugoslav currency is the dinar, divided into 100 para. The new dinar, equivalent to 100 old dinars of 1965, was introduced on January 1, 1966. At the end of 1969, a dinar was equal to 0.0863 Canadian dollar.

All banking was nationalized at the end of the Second World War. The main bank is the National Bank. At the end of 1967, it had total assets of 43 billion new dinars.

Recently, the Yugoslav banking system was greatly changed in line with the reform. Previously, the Yugoslav Bank of Foreign Trade monopolized external dealing, the Yugoslav Investment Bank was in charge of all investments of Federal importance, and the Yugoslav Agricultural Bank provided farm finance. Under the new banking regime, introduced on January 1, 1966, all banks received authorization to operate on a wider scale, often in competition with each other. Now, 15 banks have

* These figures include refining and processing, and therefore are exaggerated.

the right to engage in foreign trade and exchange dealings, including the acceptance of foreign currency deposits, dealings in international markets including the Eurodollar market, and other financial areas.

The National Bank of Yugoslavia supervises all these activities, and regulates the amount of foreign exchange each of the 16 banks may hold. Each bank may hold 5% of its deposits in cash.

All this is obviously designed to facilitate foreign trade dealings and to encourage foreign investment. This should provide a fairly satisfactory atmosphere for prospective investors, together with the fact that the World Bank has expressed its confidence in Yugoslav politico-economic stability by granting it a loan of \$40 million for modernization of telecommunications systems and \$30 million for highway construction.

6. Utilities

a. Energy

The largest source of energy is still coal and lignite, though petroleum is increasing its share. In electricity generation, however, hydro power is predominant. The annual rate of increase in the demand for electricity has been in the neighborhood of 13%. Increasing utilization of water power, expansion of power generating capacity and the development of atomic power are planned.

The Soviet Union announced that it would supply three 178,000 kilowatt turbines for the Iron-Gates project, a joint Rumanian-Yugoslav hydroelectric combine on the Danube, scheduled for completion in 1971.

Yugoslav electricity production has been increasing at the rate of about 12% a year, as shown below:

Electricity Production, 1967-1969 Million KWH

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Hydro electric	10,655	11,768	14,305
Thermo electric	8,047	8,873	8,642

b. Transportation

Being a mountainous country with a long sea coast, water transportation is very important to Yugoslavia. Topographic obstacles impede the development of the rail and highway transportation networks, and the expansion of the Yugoslav economy outstripped the growth in land transportation. The composition of Yugoslav means of transportation is as follows:

Composition of the Means of Transportation in Yugoslavia

	<u>1967</u>	<u>1968</u>
<u>Railways</u>		
Length of Track ('000 km)	11.4	10.6
No. of locomotives ('000)	2.1	2.0
Passengers carried (millions)	195.8	182.9
Cargo carried (million tons)	68.7	68.4
<u>Road</u>		
Total road length (km)	78,745	89,423
No. of Passenger cars (000)	355	440
No. of buses (000)	11.2	12.3
No. of lorries (000)	85.5	90.6
No. of special vehicles (000)	8.1	8.5
No. of tractors (000)	23.4	23.9
Passengers carried (millions)	373	418
Cargo carried (million tons)	40.6	43.0
<u>Waterways</u>		
Inland: No. of passenger vessels	18	18
Other cargo carriers and tugs	1,034	1,040
Passengers carried (millions)	0.07	0.06
Cargo carried (million tons)	11	12
Ocean: Traffic of goods (million tons)	12.1	12.1
<u>Air</u>		
No. of Aircraft	30	26
Passengers carried ('000)	638.4	744.3
Cargo carried (tons)	6,689	7,071

Source: Europa Yearbook

There are major undertakings aimed at modernization of the rail system. These include replacement of steam engines by diesel locomotives, electrification of railways, and the addition of new railway tracks.

c. Communications

Yugoslavia is undertaking a large-scale telecommunications modernization programme. For this, the World Bank is providing a \$40 million loan. Mail is regular and reliable: there were 3,276 post offices in Yugoslavia in 1968. Yugoslav communications statistics are shown below:

Postal, Telephone and Telegraph Services, 1969

Letters sent		
Internal	(millions)	1,103
International	"	146
Parcels		
Internal	"	7.1
International	"	0.3
Telephone		
# of telephone in use ('000)		8,504
# of telephone calls (millions)		600
Telegraph		
Internal	"	9.4
International	"	3.3

Source: Statistical Pocketbook of Yugoslavia 1970

7. Tourism

Tourism is now second in bringing foreign exchange into the country - after shipbuilding, and it is believed that it will overtake shipbuilding as the top most foreign currency earner in relatively few years. In the next 20-25 years, close to \$2 billion of investment is planned for the construction of hotels, tourist centres, roads, airports and harbors. The plan calls for the construction of deluxe hotels containing 490,000 new beds, and modest hotels and tourist camps. The World Bank is considering financial assistance in the South Adriatic coast area including a \$25 million resort complex in the Dubrovnik area with 5,000 beds in the luxury, medium and economy ranges, plus shopping centres, marinas, swimming pools, restaurants, night clubs etc. Also under consideration is a similar project near Budva, at an estimated cost of \$200 million.

Private investment is supplementing Government spending. To provide the necessary facilities and services such as sewer, power, gas, roads, and telephone lines, the Yugoslav government approached the UN for a physical plan for the development of the South Adriatic region. The plan is to be financed partly by the Yugoslav government, (\$1.9 million) and partly by the Development Program (\$1.1 million) and foresees an increase in population from its present 500,000 to one million.

Tourist Statistics, Yugoslavia
(thousands)

	<u>No. of Tourists</u>	<u>Nights Spent</u>
1939	939	5,448
1960	5,188	23,023
1965	7,942	32,651
1966	8,904	35,710
1967	9,276	36,064
1968	9,864	38,300
1969	11,544	47,000

Source: Statistical Pocketbook of Yugoslavia 1970

FOREIGN TRADE

1. The Structure of Yugoslav Foreign Trade

Yugoslavia has various trade ties with different parts of the world. It has close ties with the COMECON group, a trade agreement with the EEC, and it receives financial assistance from both the UN and the World Bank.

Yugoslav trade is in the order of \$3.5 billion, and its balance of trade deficit is in the neighbourhood of half a billion dollars. This, together with the fact that emphasis in the Yugoslav economic planning is on technology, sets the pattern of priority in trade and foreign exchange allocation.

The chronic character of trade deficit has been present since pre-war years. The recent trade statistics are shown in the following table:

Yugoslav Balance of Trade
Selected Years, 1956-1969
(In Million Dinars)

<u>Year</u>	<u>Exports</u>	<u>Imports</u>	<u>Balance</u>
1956	4,042	5,927	-1,885
1960	7,077	10,330	-3,253
1965	13,644	16,099	-2,455
1966	15,251	16,693	-4,442
1967	15,640	21,342	-5,696
1968	15,796	22,460	-6,664
1969	18,443	26,688	-8,245

Source: Statistical Pocket Book of Yugoslavia, 1970

Yugoslav foreign trade was previously under the monopoly of the Yugoslav Bank of Foreign Trade. But under the new banking regime introduced on January 1, 1966, there are now fifteen banks that are authorized to deal in foreign trade and exchange.

Yugoslavia has just concluded (in March, 1970) a three-year non-preferential, non-discriminatory trade agreement with the EEC. This represents the EEC's first commercial treaty with a communist country, and it is hoped that it will increase Yugoslav exports to the Six Countries of the EEC.

The agreement has three principal features: first, Yugoslav exports to the EEC will now receive 'most-favoured nation treatment'; second, the agreement accords Yugoslav exports of baby beef special treatment, which allows this item to be exempt from the agricultural protectionism of the EEC countries; and finally, the agreement proposes the establishment of a joint EEC-Yugoslav commission which could ultimately pave the way for a widening of the agreement to cover other commodity items.

2. Analysis of Yugoslav Imports

Yugoslavia imported \$2,134.8 million of goods in 1969. The largest item on the list of Yugoslav imports, in terms of value, is machine and transport equipment, alone accounting for over one-third of total Yugoslav imports. In the new economic development plan, high priority will be given to basic industries and economic infrastructure, and this will be reflected in its overall trade. A broad breakdown of Yugoslav imports is shown below:

	<u>1968</u>	<u>1969</u>
	(\$Million)	
Food and live animals	123.9	141.3
Beverages and tobacco	3.7	6.0
Raw materials, inedible, exc. fuel	198.4	264.3
Mineral fuels & related materials	97.7	103.5
Animal & vegetable oils & fats	19.2	7.2
Chemicals	187.8	222.8
Manufactured goods	428.0	543.4
Machinery & transport equipment	644.5	723.5
Miscellaneous manufactured goods	92.9	122.7
Others	<u>0.2</u>	<u>0.2</u>
Total	<u>1,796.2</u>	<u>2,134.8</u>

Source: The Federal Institute of Statistics, Yugoslavia

A more detailed table of Yugoslav imports (and exports) is provided for in the appendix.

At the moment, about 35% of all trade is free. Especially in case of raw material and semi-fabricated material imports, trade restrictions are liberalized.

With the expected upsurge of tourism, strong stimulus is provided for the expansion of the Yugoslav food processing industry. In this field, good prospects lie in complete equipment lines which include meat processing, deep-freezing, weighing, packaging, and labelling equipment.

Demand for air conditioning equipment can be expected to increase rapidly as this type of equipment is required by hotels. In addition to the tourist boom, the market for air conditioning equipment is likely to expand because of the growing acceptance and desirability by Yugoslav homes, offices and factories. Commercial refrigeration and commercial deep-freezing, play an important role in Yugoslav trade, as food is a very important export item. Promising market opportunities exist for equipment to freeze juices, vegetables and pre-cooked dinners. Truck refrigeration has also been found to offer good prospects.

Mining machinery sales will increase as Yugoslavia steps up the exploration and exploitation of new mineral deposits, including aluminum, antimony, manganese and nickel.

In addition to industrial equipment and mining machines, the rising standard of living has resulted in increased demand for consumer goods and convenience items such as automobile repair and maintenance tools, laundromats, vending machines, and supermarket appliances, toasters, electric juice mixers, etc.

The largest supplier of Yugoslav imports is West Germany, which in 1969 sold \$345.4 millions of goods to Yugoslavia. The ten largest suppliers are shown below:

Ten Largest Suppliers of Yugoslav Imports
(1969)

	<u>Million Dinars</u>	<u>\$Million</u>
West Germany	4,002	345.4
Italy	3,305	285.2
USSR	1,756	151.5
Czechoslovakia	1,266	109.3
United Kingdom	1,196	103.2
Austria	997	86.0
USA	977	84.3
East Germany	821	70.9
Switzerland	760	65.6
France	<u>708</u>	<u>61.1</u>
Total, top ten	15,788	1,362.5
Top ten as % of Grand Total		63.8%

Source: Statistical Pocket Book of Yugoslavia, 1970

A breakdown of Yugoslav trade by regions shows that over 75% of all trade is with Eastern and Western Europe. North America accounts for only 5.37% of Yugoslav trade (6.7% in Yugoslav exports and 4.5% in Yugoslav imports). The regional distribution of Yugoslav trade for 1968 and 1969 is as follows:

Yugoslav Trade by Regions, 1968-69 (in \$million)*

	<u>Exports</u>		<u>Imports</u>	
	<u>1968</u>	<u>1969</u>	<u>1968</u>	<u>1969</u>
Western Europe	561.3	720.5	989.6	1,237.0
Eastern Europe	433.3	453.9	488.8	509.8
North America	92.8	98.1	91.7	95.9
Asia	99.5	103.7	107.7	140.5
Africa	52.5	57.5	47.7	72.4
Latin America	20.0	38.8	44.5	50.9
Oceania	0.6	2.5	26.3	28.3
TOTAL	1,259.4	1,475.1	1,796.2	2,134.8

* Rounded figures

Source: The Federal Institute of Statistics, Yugoslavia.

The Yugoslav government is contemplating the convertibility of the dinar as one of its intermediate economic goals. This is in preparation for further freeing of trade. At the moment, about 35% of imports are free, with automatic allocation of foreign exchange upon proper application. It is expected that by the end of 1970, 40% of imports will be free, and that by 1975, some 75-80% of all imports will be freed.

3. Analysis of Yugoslav Exports

Before World War II, the main Yugoslav exports were agricultural goods, timber and non-ferrous metals. But since 1945, the composition of traded goods changed drastically: while total exports increased almost five-fold since the 1950's, now the bulk (about 70%) of Yugoslav exports are industrial products, compared to under 50% in 1950. Exports of agricultural goods have also changed their pattern: wheat, previously amounting to 250-450 thousand tons of exports, is no longer exported but is imported. The major exports of agricultural products will in the future be meat, fruit, tobacco, hemp and wines. Particularly since the 3-year trade agreement with the EEC, exports of meat, especially beef is expected to rise sharply.

A broad breakdown of Yugoslav exports is shown below:

Yugoslav Exports by Commodities
\$MILLION

	<u>1968</u>	<u>1969</u>
Food & live animals	219.5	246.1
Beverages and tobacco	41.5	43.0
Raw materials, inedible, excl. fuel	126.7	142.0
Mineral fuels & related materials	12.2	14.4
Animal & vegetable oils & fats	2.2	2.7
Chemicals	76.4	91.5
Manufactured goods by materials	322.5	431.0
Machinery & transport equipment	273.6	301.0
Miscellaneous mfd. goods	184.1	202.7
Other	0.7	- 0.7
Total	1,259.4	1,475.0

Source: The Federal Institute of
Statistics, Yugoslavia

The major items of exports are: ships, tractors, canned meat, shoes, clothing, furniture, electronic components, die-presses, etc.

Until recently, the Soviet Union was Yugoslavia's most important customer. In 1969, it was replaced by Italy. In the table below, the ten largest customers of Yugoslavia in 1969 are shown, and their purchases from Yugoslavia in 1968 are also provided to show changes in the order.

Ten Largest Customers of Yugoslavia, 1969

	<u>1969</u>		<u>1968</u>	
	<u>\$Million*</u>	<u>Rank</u>	<u>\$Million**</u>	<u>Rank</u>
Italy	218.9	1	189.3	2
USSR	204.0	2	222.6	1
Western Germany	155.9	3	130.0	3
USA	93.8	4	95.8	4
UK	82.2	5	65.1	5
Czechoslovakia	56.4	6	58.8	6
France	46.2	7	31.2	9
Austria	45.3	8	47.8	7
Poland	44.5	9	39.6	8
Hungary	42.4	10	30.8	10

*Converted from the dinar at \$0.0863 per dinar (the official exchange rate in December, 1969).

**Converted from the dinar at \$0.0858 per dinar (the official exchange rate in December, 1969).

Source: Statistical Pocket Book of Yugoslavia, 1970

CANADIAN TRADE WITH YUGOSLAVIA

1. Canadian Trade

Canadian trade with Yugoslavia has been traditionally in Canada's favour: in 1969, Canada exported \$8,023 thousand while importing only \$5,632 thousand. The largest items in Canada's exports to Yugoslavia are copper scrap - \$1.96 million in 1969, alone accounting for nearly 25% of total Canadian exports; asbestos (\$1 million in 1969); aluminum (\$0.85 million), and steel sheets (\$600 thousand). Ontario exports to Yugoslavia were \$1.78 million in 1969, or 22% of total Canadian exports. The largest items are copper in ores, concentrates and scrap (\$411 thousand); iron ore (\$389 thousand); plastics and synthetic rubber (\$284 thousand) and raw hides, skins except fur (\$273 thousand). A detailed breakdown is provided for in appendices.

The largest Yugoslav imports - machinery and transport equipment, are supplied for the most part by West Germany, Italy, Czechoslovakia and the USSR. The Canadian and even the US share in this item is disproportionately small.

This is a field in which sales effort will lead to expanded Canadian and Ontario exports. Canadian exports to Yugoslavia enjoy a 'most favoured nation treatment'.

In September 1969, the Canadian government granted a loan of \$100 million to Yugoslavia in order to make possible the Yugoslav purchase of Canadian machinery and equipment on 'favourable terms'. One-third of this loan is expected to be used for Yugoslav airport facilities, and the rest will be devoted to the purchase of Canadian-made diesel engines for the Sarajevo railway, equipment for Yugoslav timber, pulp and paper and cellulose industries, and the like.

Canadian importers are expected to purchase about \$25 million of Yugoslav goods, partly in exchange for this deal.

2. Ontario Exports to Yugoslavia

Ontario exports to Yugoslavia showed a marked increase in 1969 as compared with 1968. In 1969, total Ontario sales to Yugoslavia were \$1.62 million, compared with \$791 thousand in 1968. This is due to an increase in the exports of raw hides and skins (from \$5.1 thousand to \$272.9 thousand); iron ores (from nothing to \$388.8 thousand); unformed plastics and synthetic rubber (from nothing to \$284.6 thousand), and a general increase in most items. A detailed list of Ontario exports to Yugoslavia is provided in the appendix.

In addition to the \$100 million Canadian loan to Yugoslavia which is earmarked for the purchase of Canadian machines, the generally freer attitude towards trade and the fact that a new economic development plan is due to begin shortly, provide good market opportunities for Ontario exports. In the 1971-1975 plan, as described elsewhere, high priority is likely to be accorded to basic industries and economic infrastructure. Despite continuous investments since the end of the second world war, nearly half of Yugoslavia's industrial plants need replacing or refurbishing, and opportunities exist for equipment and know-how exporters in Ontario. Best sales opportunity can be found in Yugoslavia's export industries, which receive preferential treatment in obtaining foreign exchange. The Yugoslav EEC agreement giving increased access for Yugoslav beef, together with the influx of tourists, is providing stimulus for the expansion and modernization of the Yugoslav food processing industry. Good prospects lie in complete equipment lines which include meat processing, deep-freezing, weighing, packaging and labelling equipment.

A further description of export opportunities in Yugoslavia can be found in the sections on Yugoslav imports and on Yugoslav industries.

ECONOMIC AND TRADE POLICY

1. Planning

The Federal Executive Council has made a definitive draft of the guidelines for the development plan of 1971-1975. These guidelines should serve as a frame of reference for elaboration, and should provide an insight as to what is likely to take place.

Recently, Prime Minister Ribicic said that one of the key developments is the setting of the date for making the dinar convertible. This move entails all sorts of implications, important among which are trade liberalization and rationalization of industrial production in response to the requirements of international specialization.

One of the very important aspects in the plan is to set up a clear criteria for tax allowances in order to remove uncertainty and encourage trade. One of the goals in trade policy is to achieve a favorable balance of trade by 1975. Trade with hard currency countries (Canada included), especially exports to them, will receive strong support from the Government.

Another goal of the plan is the renovation of industrial facilities. The following table shows the proportion of industries which need overhauling:

Obsolescence* of Equipment in Yugoslav Economy, 1970

	<u>% of total value of equipment</u>
Coal	12
Ferrous metals	21
Non ferrous metals	13
Metal-Using Industries	23
Electrical Industry	39
Chemical	7
Building	5
Timber	16
Pulp and Paper	12
Textiles	10
Leather and footwear	15
Rubber	3
Foodstuffs	14
Tobacco	15
Printing	18

*The definition is by Yugoslav authority

Source: Economic Intelligence Unit: "Economic Trends in Yugoslavia," Quarterly Economic Review, June 1970

According to the plan, the annual production of crude steel should reach 6.5 million tons by 1975 (from the present 2.3 million tons), automobile production should reach 525,000-625,000 cars, electricity output should be 46 billion kwh (double the present output), and personal income should increase from its present \$650 per capita to \$1,000 per capita in 1975.

Among other long term objectives are:

- Improvement in labor productivity through training and re-organization
- Selection of key industries for investment
- Gradual improvement in domestic market mechanism and other systems of exchange of goods approaching the standard of the developed Western countries.
- Assistance to underdeveloped regions within Yugoslavia especially the Kosovo area.

2. Foreign Trade Regulation, Tariffs and Taxes

With full membership in GATT, Yugoslavia substantially reduced tariff rates on most items. At present about 35% of imports are duty free, and this proportion is expected to increase to 70-80% by 1975. A 40% duty is considered high, and most are between 20% and 35%. Generally, duties are high on consumer goods and low on raw materials and producers' goods.

Because of its chronic exchange deficit, foreign exchange is under strict control. All import commodities are classified into 6 categories, according to different methods of allocating foreign exchange.

Yugoslavia is interested in promoting trade with the West, and in March 1970 signed a three-year non-preferential, non-discriminatory trade agreement with the EEC, which accord both sides Most Favored Nation treatment.

3. Marketing Channels

The bulk of Yugoslav trade is conducted by about 1,000 trading enterprises, which are specially licenced to engage in foreign trade. These firms also effect international brokerage transactions, consignment and forwarding, the transportation of tourists and goods, and the execution of Yugoslav investments abroad.

There are several hundred Yugoslav enterprises, which are authorized to act as agents for foreign firms. They may store, sell from consignment, and import on their own account. However, no Yugoslav individual is permitted to represent foreign firms. Commission rates vary, but the average is about 8/9%, and the highest is 12%.

Companies setting up a permanent office must deposit \$48,000 in convertible currency in the Yugoslav National Bank as a guarantee that all appropriate duties and taxes will be paid. In addition, at least 50% of their employees must be Yugoslav nationals. Each firm may have one office, though branch offices may, in exceptional circumstances, be permitted.

Market research is not highly developed: there are only 3 such institutions in Yugoslavia, two in Zagreb and one in Ljubljana. Most of their research is relative to Yugoslav export possibilities.

4. In promoting their products, foreigners are permitted to advertise in all advertisement-carrying newspapers. There are a number of advertising agencies in Yugoslavia, but they are not yet very active.

There are 38 dailies with about 2 million circulation, and more than 900 periodicals. Advertising costs vary widely. The range is from \$100-300 in periodicals, \$500 in tabloid-size dailies, and about \$1,300 in widely circulated dailies.

Radio is the most popular medium but television is being more widely used and is increasing in its importance. Television advertisements cost from \$350-600 per minute during evening hours, to \$475/575 during the broadcast of sports events.

5. Licensing, Joint Venture, Patents etc.

Yugoslavia is a country where investment opportunities exist, but there is not enough indigenous capital to make use of them.

As a good socialist should not countenance foreign capitalists setting-up their shops and running them as they see fit, Yugoslavia traditionally relied on loans for its industrial development; one of the most prominent examples is the steel plant at Skoplje. But these loans are limited in amount and are not sufficient. Further, the interest repayments for these loans place severe pressures on the Yugoslav balance of payments. With the increased need for capital and the worsening balance of payments deficit, it was recognized that the Foreign Investment Law of 1967, which allowed only 49% of foreign participation, was grossly inadequate. A newly organized consortium of Yugoslav and foreign banks, sponsored by the International Finance Corporation of London, England, may produce better results. This consortium, the International Investment Corporation for Yugoslavia, is designed to provide "lubricant" loans in addition to helping foreign investors evaluate their prospective projects. In a recent step to further encourage foreign investment, the Yugoslav government passed legislation allowing foreign investors to use 33% of their convertible currency earnings from joint ventures for profit repatriation and amortization. The easing of compulsory re-investment requirements is also being reviewed.

By the end of 1969, 17 foreign companies from ten countries (Austria, Belgium, Czechoslovakia, East and West Germany, France, Italy, Japan, Switzerland and the U.S.) had concluded contracts on joint ventures. The total value of direct investment amounted to \$44 million, of which \$28 million was by convertible currency countries. The largest investor was Fiat of Italy, with a \$22 million investment in a motor vehicle plant at Crvena Zastava in Kragujevac. Hoechst of West Germany is setting-up a polyester plant in Rijeka, with a Yugoslav manager. Hoechst is also expanding a licensing operation with Zrejanin - based combine, Szervo Mihaly, which is already producing 19 pharmaceuticals under Hoechst licences. Other foreign firms include Zanussi, the largest producer of household appliances in Europe, which has recently concluded a joint venture agreement with Rade Konchar.

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TABLE I

YUGOSLAV TRADE BY MAJOR COUNTRIES

EXPORTS AND IMPORTS BY COUNTRIES				
Thousand dinars				
	Exports		Imports	
	1968	1969 ¹⁾	1968	1969 ¹⁾
U.S.S.R.	2 593 931	2 364 083	2 353 398	1 756 415
Sweden	219 144	190 866	263 350	305 988
Switzerland	348 470	423 227	616 548	760 254
United Kingdom	758 988	951 777	1 089 255	1 196 434
Other countries	254 438	273 551	284 181	395 012
Asia	1 322 866	1 255 046	1 375 344	1 520 190
India	327 807	471 264	252 207	337 199
Indonesia	99 551	41 182	11 445	8 971
Iraq	39 519	51 701	150 017	204 535
Israel	129 197	116 496	116 522	91 444
Malaysia	28 780	11 298	84 717	118 473
Pakistan	297 059	157 775	73 096	132 336
Turkey	46 466	48 562	27 428	64 516
Other countries	354 487	356 768	659 912	562 716
Africa	656 520	668 454	597 778	805 786
Algeria	16 741	39 149	50 565	44 903
Ethiopia	6 191	11 825	7 096	10 351
Ghana	40 164	39 768	48 745	50 746
Morocco	20 741	24 314	17 360	29 863
Sudan	26 429	58 842	26 852	51 085
Tunisia	39 625	52 279	66 849	58 637
U.A.R.	348 316	258 257	196 560	344 975
Other countries	158 313	184 020	183 751	215 226
North&Cen.Amer.	1 275 413	1 367 560	1 219 366	1 071 121
Canada	41 726	52 236	20 314	37 702
Cuba	77 067	28 422	64 715	39 728
U.S.A.	1 116 416	1 086 968	1 29 439	977 021
Other countries	40 204	219 934	4 898	16 670
South America	127 076	134 415	486 184	470 073
Argentina	3 685	4 694	57 760	65 034
Brazil	36 760	39 183	182 068	192 063
Colombia	68 548	67 381	62 219	40 913
Other countries	18 083	23 158	184 137	172 063
Oceania	7 241	28 795	328 694	331 119

¹⁾ Data for 11 months.

TABLE II

YUGOSLAV TRADE BY MAJOR ECONOMIC ACTIVITIES

EXPORTS AND IMPORTS BY ECONOMIC ACTIVITIES				
Thousand dinars				
	Exports		Imports	
	1963	1969 ¹⁾	1968	1969 ¹⁾
Total	15796278	16463248	22460245	22048964
Manufacturing	13150751	13896964	20759431	20266899
Electric energy	4227	2874	39194	14239
Coal and derivatives	10448	42832	342911	306735
Crude petrol. & derivat.	143461	118708	863520	792076
Ferrous metallurgy	360681	360571	1456461	1575230
Non-ferrous metallurgy	1845953	2268115	1083346	1262404
Non-metals	405052	432529	488953	539190
Manuf. of metal products	1937265	1833193	7381599	6845702
Shipbuilding	1024101	1086611	425880	342574
Manufacture of electrical products and machin.	1058745	1070509	1428760	1433613
Manuf. of chemicals	887651	997585	2672867	2631012
Manuf. of building mater.	26616	23110	9532	24356
Manufacture of wood	1362415	1456727	173618	220159
Manufacture of paper	423377	412724	342018	382038
Manufacture of textiles	1646289	1802802	2380482	2521291
Manuf. of leath. & foot.	891844	838367	199244	275856
Manuf. of rubber products	53630	60181	519509	422554
Food manuf. industries	715142	809597	838286	558134
Print., publish. & all. ind.	33372	32898	93541	79266
Tobacco manufactures	316521	243373	7328	29011
Motion picture production	3961	3658	12382	11460
Agriculture	2451135	2355963	1618774	1699119
Crop farming	594718	394169	678590	797494
Fruit growing	34964	82798	265711	206712
Livestock breeding	1543878	1597907	593190	615177
Fishing	17479	13156	34912	39005
Home processing of agricultural products	260096	267934	46371	40732
Forestry	194392	210321	82040	82946

¹⁾ Data for 11 months.

TABLE III

ONTARIO DOMESTIC EXPORTS TO YUGOSLAVIA BY COMMODITIES

1968 - 1969

GROUP	COMMODITY	VALUE \$'000	
		1968	1969
144	Materials for food preparations	3.9	5.0
173	Distilled alcoholic beverages		.3
201	Rawhides & skins, except fur skins	5.1	272.9
251	Iron ores, concentrates & scrap		388.8
253	Copper in ores, concentrates, scrap	458.9	411.8
361	Yarn & thread		59.3
384	Other fabrics	2.2	
414	Other organic chemicals	4.4	
424	Plastics & syn. rubber, not shaped		284.6
425	Plastics, basic shapes & forms	.1	
428	Paints & related products		.7
429	Industrial chem. specialties & explosive		.5
445	Plate, sheet & strip, steel		31.6
452	Copper & alloys	121.6	
465	Bolts, nuts, etc. & basic hardware	.3	
469	Other metal fabricated basic products	.1	.1
496	Other fabricated materials		.2
509	Other general purpose industrial machinery	6.4	8.2
521	Drilling, mining, oil & gas machinery	.2	.4
529	Other special industry machinery	35.7	49.0
541	Soil prep. seeding and fert. machinery		.2
543	Haying, harvesting & related machinery	9.4	1.0
551	Tractors	.1	
580	Road motor vehicles	.5	
583	Trucks & truck chassis		36.7
589	Other vehicles, engines, parts & accessories		2.1
590	Ships & boats		1.2
600	Aircraft	.1	
621	Pneumatic tires, new		.4
634	Commercial & industrial communication equip.	.3	
639	Air conditioning & refrig. equipment	2.0	
660	Cooking equipment for food	1.4	1.1
680	Electric lighting & control equipment	.8	
698	Laundry equipment, domestic		.4
700	Measuring, laboratory, etc. equipment	114.8	43.1
740	Furniture & fixtures		1.0
771	Office machines & equipment	13.7	
790	Footwear	.1	
830	Toys, games, sport & recreation equipment	.5	
840	House furnishings	.2	.3
870	Medicinal & pharmaceutical products	.6	
880	Medical supplies, ophthalmic goods, etc.	.1	
890	Printed matter		1.0
900	Stationers & office supplies & material	.2	.8

ONTARIO DOMESTIC EXPORTS TO YUGOSLAVIA BY COMMODITIES

1968 - 1969 Cont'd.

GROUP	COMMODITY	VALUE \$'000	
		1968	1969
910	Photographic goods		.3
949	Miscellaneous end products	1.2	2.3
970	Special transactions - trade	1.0	.6
T O T A L		791.0	1,617.4

SOURCE: Ontario Exports by Countries
and Commodities 1968-1969

TABLE IV

CANADIAN DOMESTIC EXPORTS TO YUGOSLAVIA BY COMMODITIES
1968-1969

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
	YUGOSLAVIA					
5152	MILK POWDER, SKIM MILK	CWT	11,020			5152
14410	GELATIN, EDIBLE	LB	390			14410
17340	WHISKY	P GAL	417	635	5,032	17340
20110	CATTLE HIDES, RAW	NO	1,000	30	285	20110
20120	CALF AND KIP SKINS, RAW	NO		28,632	293,533	20120
21199	SEEDS FOR SOWING N E S	LB		2,253	19,912	21199
25199	SCRAP IRON AND STEEL N E S	TON		1,100	4,370	25199
25330	COPPER SCRAP	CWT	48,980	11,000	388,800	25330
25350	BRASS AND BRONZE SCRAP	CWT		37,325	1,961,728	25350
25540	NICKEL AND NICKEL ALLOY SCRAP	CWT	44	777	31,296	25540
27120	ASBESTOS MILLED FIBRES, GROUP 3 GR.	TCN	280			27120
27130	ASBESTOS MILLED FIBRES, GROUP 4 & 5	TON	6,732	361	113,930	27130
27140	ASBESTOS SHORTS, GROUP 6-9 GRADES	TCN	205	4,462	855,327	27140
31039	FURS, DRESSED, MINK	LB		182	20,720	31039
34019	WOOD PULP DISSOLVING & SPECIAL ALPHA	CWT	22,046			34019
34020	WOOD PULP BL. SULPHATE PAPER GRADES	CWT	4,334	44,108	336,671	34020
34025	WOOD PULP BL. SULPHITE PAPER GRADES	CWT		4,365	20,728	34025
34040	WOOD PULP, SULPHITE, UNBL. STRONG	CWT	1,116	22,017	153,724	34040
36159	YARN & THREAD, OF 1 MAN-MADE FIBRE	LB		77,258	375,400	36159
37519	RAYON BROAD WOVEN FABRICS	LB	78	77,969	59,262	37519
37599	BROAD WOV FAB, 1 MAN-MADE FIBRE NES	LB	324			37599
37679	BROAD WOVEN FABRICS, MIXED FIBRES	LB	4,043			37679
38176	PAPERMAKERS FELTS, TEXTILE	LB		2,595	19,419	38176
38429	NARROW FABRICS	LB	180			38429
38459	KNITTED FABRICS	LB	902			38459
38999	TEXTILE FABRICATED MATERIALS N E S				600	38999
40099	CHEMICAL ELEMENTS N E S	CWT		80	3,219	40099
40535	RADIOACTIVE ELEMENTS AND ISOTOPES				156	40535
41479	ORGANO-INORGANIC COMPOUNDS	CWT	44			41479
42499	PLASTIC & SYN RUBBER NOT SHAPED NES				284,636	42499
42509	PLASTIC FILM AND SHEET	CWT	1			42509
42835	READY-MIXED PAINTS, INCL WHITE LEAD	GAL		105	451	42835
42899	STAINS, LACQUERS & RELATED PROD NES				200	42899
42909	INSECTICIDES AND RODENTICIDES	CWT		4	503	42909
44219	PIG IRON	TON	1,100			44219
44599	SHEET AND STRIP, STEEL N E S	CWT		5,175	31,568	44599
45109	ALUMINUM PIGS INGOTS SHOT SLABS ETC	CWT	11,012	22,033	600,104	45109
45204	COPPER, REFINERY SHAPES	CWT	6,815	17,653	847,397	45204
45208	COPPER BARS, RODS AND SHAPES N E S	CWT	19,949			45208
45218	COPPER WIRE & CABLE, EXC. INSULATED	CWT	2,406	8,013	598,986	45218
45285	COPPER ALLOY PIPE AND TUBING	CWT	25			45285
45299	COPPER & ALLOY FABRICATED MAT. NES	CWT	5,903			45299
46599	BASIC HARDWARE N E S				4,609	46599
46965	STRUCT. & ARCHITECTURAL METAL PROD.				411	46965
46975	INSULATED WIRE AND CABLE	CWT		3	115	46975
46999	METAL FABRICATED BASIC PRODUCTS NES				268	46999
49652	GASKETS, EXCEPT RUBBER AND ASBESTOS				171	49652
50739	AIR AND GAS COMPRESSORS AND PARTS				999	50739
50901	POWER BOILERS, EQUIPMENT AND PARTS					50901
50980	PUMPS, PUMPING SYSTEMS AND PARTS				7,589	50980
52119	ROCK DRILLING & RELATED MACHY & PTS				34,565	52119
52199	MINING-QUARRYING MACHY & PARTS NES				336	52199
52349	WELDING APPARATUS, EQUIPMENT & PTS				2,272	52349
52415	PARTS & ACCESSORIES FOR CHAIN SAWS					52415
52929	CONSTRUCTION MAINTENANCE MACHY & PT				567,555	52929
52936	CHEMICAL PHARM PROD MACHY AND PARTS				6,178	52936
52979	TEXTILE INDUSTRIES MACHY AND PARTS				10,012	52979
54116	PLOUGHS AND PARTS N E S	NO		1	200	54116
54309	MOWERS	NO	9	1	1,017	54309
55121	PARTS OF WHEEL TRACTORS				103	55121
58339	TRUCKS AND CHASSIS, COMMERCIAL NES	NO		1	36,715	58339
58995	OTHER MOTOR VEHICLES N E S	NO	2			58995
58999	PARTS & ACCESS. FOR MOTOR VEH. NES				2,212	58999
59039	PTS & ACCESS. FOR SHIPS & BOATS NES				1,185	59039
60039	AIRCRAFT ENGINES AND PARTS	NO			223,893	60039
60099	AIRCRAFT ASSEMBLIES EQUIP & PTS NES				14,450	60099
62109	TRUCK AND BUS TIRES, PNEUMATIC, NEW	NC		1	404	62109
63499	COMMERCIAL COMMUNICATION EQUIP NES				200	63499
63790	PHONOGRAPH RECORDS AND BLANKS	NO	72			63790
63905	CABINETS FOR TV, RADIO, PHONOGRAPHS	NO	2			63905
63998	COMPONENTS FOR COMMUNIC. EQUIP. NES				5,177	63998
65547	REFRIGERATORS & FREEZERS HHOLD SIZE	NO	1			65547
65599	AIR CONDITN & REFRIG EQUIP & PT NES					65599
66099	NON-ELECTRIC EQUIP FOR COOKING & PT				1,130	66099
68049	SWITCHGEAR & PROTECT EQUIP & PT NES					68049
69809	WASHING MACH ELECTRIC DOMESTIC SIZE	NO		4	434	69809
70009	X-RAY AND RELATED EQUIPMENT & PARTS					70009
70069	MEDICAL & REL. INSTR EQUIP & PT NES				43,061	70069
70079	LAB. OPTICAL INSTR. EQUIP & PT NES					70079
70099	MEASURING & TESTING EQUIP & PT NES					70099
74012	FURNITURE, WOODEN, HHOLD, NOT UPHOL					74012
74014	FURNITURE, METAL, HHOLD, NOT UPHOL					74014
77148	TYPEWRITERS, ELECTRIC	NO	100			77148
78317	OUTDOOR JACKETS	NO		72	1,400	78317
78318	OVERCOATS AND TOPCOATS	NO	15	18	847	78318

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
	YUGOSLAVIA-COM					
78499	OUTERWEAR, KNITTED N E S	NO		24	140	78499
78809	FUR GOODS, APPAREL		778			78809
79012	BOOTS & SHOES MENS & BOYS LAST-MADE	PAIR	112			79012
83026	SKATES, ICE	PAIR	4,317	14,000	15,003	83026
83099	SPORTING RECREATION EQUIP & PTS NES				1,826	83099
84039	CARPETS MATS, SIMIL. FLOOR COVERING		206		299	84039
87019	BIOLOGICAL PRODUCTS FOR HUMANS				342	87019
87099	MEDICINAL & PHARMACEUTICAL PROD NES		748			87099
88029	SURGICAL MEDICAL & DENTAL SUPPL NES		100			88029
89090	ADVT. MATTER FOR FREE DISTRIBUTION				275	89090
89099	PRINTED MATTER N E S				724	89099
90019	STATIONERY & PAPER OFFICE SUPPL NES		10,569			90019
90099	STATIONERS AND OFFICE SUPPLIES NES		234		837	90099
91089	PHOTO FILM & PLATES SOLD EXPOSED NES				300	91089
94929	SIGNS AND ADVERTISING DISPLAYS NES		713			94929
94949	BUTTONS, NEEDLES PINS NOTIONS & PTS		2,965		1,868	94949
94966	NCN-ELEC. LIGHTING FIXTURES & PARTS		470		2,288	94966
97075	SHIPMENTS OF LESS THAN \$100.00 EACH		5,259		2,921	97075
	COUNTRY TOTAL		6,550,852		8,023,191	

Source: D.B.S. Trade of Canada

TABLE V

CANADIAN IMPORTS FROM YUGOSLAVIA BY COMMODITIES
1968-1969

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE	QUANTITY	VALUE	
			\$		\$	
	<u>YUGOSLAVIA</u>					
4403	ANCHOVY, CANNED CWT N	25	1,111			4403
4451	TUNA, CANNED N E S CWT N					4451
4452	TUNA, CANNED CWT N	351	11,271	578	26,694	4452
4469	FISH AND FISH PRODUCTS, CANNED NES CWT N	78	5,100			4469
5359	EGGS, DRIED, POWDERED N E S LB			11,023	9,145	5359
5509	HONEY LB			1,200	706	5509
7278	STRAWBERRIES, FROZEN LB	21,990	2,974	71,379	13,015	7278
7299	FRUITS AND BERRIES, FROZEN N E S LB	466,354	73,326	191,161	31,008	7299
7559	FRUIT JUICE CONC., NOT FROZEN N E S GAL			66	652	7559
7659	FRUITS IN LIQ PRESER NOT CANNED NES LB	825,990	86,714	434,783	48,786	7659
7892	JAMS, JELLIES AND PRESERVES, CANNED LB	18,123	2,378	6,000	699	7892
8225	CASHEW NUTS, SHELLD OR ROASTED LB			426,900	296,932	8225
8299	NUTS KERNELS SEEDS SHELLD PREP NES LB			121,174	29,415	8299
9877	PIMENTOS, CANNED LB			16,645	4,830	9877
9899	VEGETABLES & VEG JUICES, CANNED NES LB	27,546	10,639	3,545	362	9899
9915	PICKLES PACKAGED FOR RETAIL SALE LB N		9,301	22,275	3,139	9915
11469	PIMENTO, GROUND OR UNGROUND LB	155,650	58,080	101,750	38,183	11469
11499	SPICES, SPICE HERBS SPICE SEEDS NES LB	12,000	7,506	20,350	8,153	11499
14415	HOPS, INCLUDING LUPULIN LB	48,249	53,164	100,856	101,088	14415
17180	MINERAL WATERS, NAT. AND ARTIFICIAL GAL	2,244	2,547	6,878	7,638	17180
17239	GRAPE WINES, STILL, TABLE STRENGTH GAL	13,650	38,498	27,700	76,955	17239
17310	BRANDY P GAL	6,872	52,279	4,961	36,182	17310
17360	LIQUEURS P GAL	882	6,573	3,414	25,622	17360
20120	CALF AND KIP SKINS, RAW NO	950	5,207			20120
20529	FEATHERS, DOWNS AND QUILLS LB			3,300	8,385	20529
21199	SEEDS FOR SOWING N E S LB	68,228	21,345	57,825	13,900	21199
21950	BROOM CORN CWT	3,618	64,819	1,936	33,294	21950
21974	CRUDE HERBS & PLANT PT FOR MEDICINE CWT		5,070		11,645	21974
24599	VEGETABLE TEXTILE FIBRE & WASTE NES LB	55,118	15,343	55,120	15,552	24599
24617	VISCOSE AND ACETATE RAYON FIBRE LB			120,301	26,068	24617
25230	ALUMINA CWT	2,204	6,712			25230
30499	GLOVE AND GARMENT LEATHER N E S SQ FT	4,372	2,323	766,877	397,467	30499
32599	RUBBER FABRICATED MATERIALS N E S		1,778			32599
33558	PLYWOOD HARDWOOD 1/8 IN. & LESS NES SF 1/4	66,312	5,228			33558
33999	WOOD FABRICATED MATERIALS N E S		2,254		3,799	33999
35760	HARD BOARD CWT			630	1,515	35760
35999	CONVERTED PAPER N E S CWT	143	3,206			35999
36405	COTTON THREAD FOR SEWING LB	15,304	18,482	2,402	2,803	36405
36468	COTTON YARN, PLIED N E S LB	526,407	460,771	461,662	457,266	36468
36619	RAYON YARN, VISCOSE OR ACETATE LB			80,029	56,974	36619
36639	NYLON YARN LB	14,080	18,914			36639
37218	WORSTED FAB ALL WOOL 9 OZ AND LESS LB			851	3,664	37218
37302	DUCK AND ALLIED FABRICS, COTTON LB	28,623	19,971			37302
37318	DRILL TWILL WARP SATEEN COT COLORED LB	3,616	2,416	7,372	3,548	37318
37343	PRINT CLOTH & SHEETING COTTON UNBL. LB	402,237	170,959	4,151	1,967	37343
37345	PRINT CLOTH & SHEETING COT BLEACHED LB	94,066	77,230	29,587	22,765	37345
37348	PRINT CLOTH & SHEETING COT COLORED LB	3,338	2,969			37348
37358	FLANNEL NAPPED FABRIC COTTON COLORED LB	13,512	7,417	3,525	2,542	37358
37393	BROAD WOVEN FABRICS COTTON UNBL NES LB	92,513	43,655	3,810	1,807	37393
37395	BROAD WOVEN FABRICS COTTON BL N E S LB	39,659	25,399			37395
37398	BROAD WOVEN FABRICS COT COLORED NES LB	81,256	55,086	183,272	111,492	37398
37519	RAYON BROAD WOVEN FABRICS LB	8,015	6,112	4,950	3,158	37519
37599	BROAD WOV FAB. ONE MAN-MD FIBRE NES LB	10,148	6,553			37599
38911	HOODS, SHAPES, FUR OR WOOL-FUR FELT DOZ			110	1,069	38911
39399	VEGETABLE OILS AND FATS N E S CWT	23	1,379	17	933	39399
40081	MERCURY CWT	698	520,642	158	109,274	40081
42946	GELATIN, INEDIBLE LB	5,512	1,716	5,512	1,734	42946
43240	FUEL OIL NO.1, STOVE OIL GAL			4,357,842	427,648	43240
44160	SILICOMANGANESE INCL SILICO SPIEGEL TON	560	56,232			44160
44409	BAR, CARBON STEEL, HOT ROLLED NES CWT			177	1,017	44409
45275	COPPER ALLOY REFINERY SHAPES, BARS CWT			108	4,439	45275
45285	COPPER ALLOY PIPE AND TUBING CWT			19	1,089	45285
45730	ZINC BARS RODS PLATES STRIP & SHEET CWT	522	8,561			45730
45979	NON-FERROUS METALS N E S LB			49,896	27,045	45979
46502	BOLTS AND NUTS, BRASS				2,599	46502
46506	BOLTS & HEADED OR THREADED RODS NES		20,343		20,498	46506
46508	NUTS, LOCK NUTS AND STOP NUTS N E S		87,067		118,269	46508
46514	CAP SCREWS		110,114		15,327	46514
46569	BUILDERS HARDWARE N E S		2,970			46569
46609	CHAIN, POWER TRANSMISSION, CONVEYOR				541	46609

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		QUANTITY	VALUE \$	QUANTITY	VALUE \$	
	<u>YUGOSLAVIA CON</u>					
46699	CHAIN NES, INCL SHACKLES & FITTINGS		757		2,604	46699
46829	VALVES, BRASS N E S		22,824		2,713	46829
46851	PIPE FITTINGS IRON STEEL UNFINISHED		4,770			46851
46879	PIPE FITTINGS COPPER & COPPER ALLOY		170,438		208,895	46879
46899	PIPE FITTINGS N E S		20,078			46899
46972	TANKS AND PARTS		5,347		9,346	46972
47278	MAGNESIA, DEAD BURNED OR SINTERED CWT	105,674	369,673	100,855	415,386	47278
47362	GLASS ARTICLES TO BE CUT, MOUNTED		19,095		7,757	47362
52303	METAL BORING DRILLING MACHY & PARTS NO			7	13,930	52303
52308	LATHES, METALWORKING, AND PARTS NES NO	5	28,584	25	136,921	52308
52309	METAL MILLING MACHINES AND PARTS NO	32	72,531	28	43,351	52309
52315	PRESSES, METALWORKING, AND PARTS NO			3	3,264	52315
52386	DRILLS TAPS BITS METALWRK MACHY NES				5,861	52386
52499	WOODWORKING MACHY, EQUIP. & PTS NES				993	52499
58149	PASSENGER AUTOMOBILES NES & CHASSIS NO	2	2,930	1	1,716	58149
59227	MARINE ENGINES, DIESEL NO	1	535	21	9,963	59227
59255	PARTS OF OUTBOARD MOTORS		4,554			59255
59339	PTS & ACCESS. FOR SHIPS & BOATS NES		2,026			59339
60349	PARTS OF AIRCRAFT ENGINES				810	60349
63419	TELEPHONE APPARATUS EQUIP AND PARTS		688		2,333	63419
63737	RADIO RECEIVING SETS TRANSISTOR NES NO	500	7,650	500	10,500	63737
63749	RADIO RECEIVING SETS NES, EXC. PTS NO	525	11,716	200	3,960	63749
63769	COMBINATION RADIO-PHONOGRAPH SETS NO	1,392	104,236	498	37,206	63769
63790	PHONOGRAPH RECORDS AND BLANKS NO	48,097	29,822	59,445	40,092	63790
63905	CABINETS FOR TV, RADIO, PHONOGRAPHS NO	200	14,517	150	8,440	63905
63915	RESISTORS, ELECTRONIC, AND PARTS				1,815	63915
63945	SPEAKERS, ELECTRONIC COMMUNIC & PTS				1,527	63945
66199	PARTS OF ELECTRIC COOKING APPL NES		2,954			66199
67199	PLUMBING FIXTURES SANITARY WARE NES		512			67199
67219	FAUCETS TUB-FILLERS SHOWERS & COMB		12,028		25,025	67219
67299	PLUMBERS BRASS GOODS & ACCESS. NES		18,740		27,011	67299
68191	GLOBES REFLECTOR ETC FOR LIGHT FIXT		31,274		31,904	68191
68193	LAMP SHADES SHADE HOLDERS & PTS NES		8,276			68193
68199	ELECTRIC LIGHTING FIXT & PARTS NES				148	68199
68429	SAFETY SWITCHES CIRCB BREAKERS & PTS				1,502	68429
68819	PARTS OF WASHING MACH ELEC DOMESTIC				3,255	68819
70508	LAB GLASSWARE CERAMIC WARE & PT NES		1,368		2,059	70508
70590	LABORATORY INSTR & APPAR. & PTS NES				1,881	70590
70820	HHOLD & PERSON WEIGHING SCALES & PT NO	900	1,698			70820
70999	SCIENTIFIC INSTRUMENTS AND PTS NES		998			70999
74012	FURNITURE, WOODEN, HHOLD, NOT UPHOL		146,396		269,325	74012
74014	FURNITURE, METAL, HHOLD, NOT UPHOL		2,264		1,157	74014
74016	FURNITURE, HOUSEHOLD, UPHOLSTERED		570		10,419	74016
74019	FURNITURE FRAMES & HHOLD FURN. NES		6,976		17,316	74019
74039	FURNITURE, SPECIAL PURPOSE N E S		2,795		6,229	74039
78317	OUTDOOR JACKETS NO	556	7,452	2,318	46,854	78317
78318	OVERCOATS AND TOPCOATS NO	17,061	318,032	12,185	295,506	78318
78336	RAINCOATS, TEXTILE, COATED, IMPREG. NO			27	446	78336
78342	SHIRTS SYNTHETIC FIBRES EXC KNITTED NO	3,900	5,202			78342
78399	OUTERWEAR, EXCEPT KNITTED N E S NO	135	1,647	58	1,852	78399
78452	PANTS SLACKS, WOMEN GIRL CHILD KNIT NO			24	157	78452
78465	SUITS AND DRESSES, KNITTED NO	7,802	63,247	124	1,368	78465
78470	SWEATERS CARDG KNIT WOOL MENS BOYS NO	1,140	7,597	249	3,141	78470
78471	SWEATERS CARDG KNIT WOOL WOMEN GIRL NO			107	1,286	78471
78499	OUTERWEAR, KNITTED N E S NO	1,350	9,669	6,372	49,545	78499
78649	HEADWEAR N E S DOZ			179	534	78649
78680	GLOVES AND MITTENS, LEATHER DOZ PR	99	3,049	425	14,554	78680
78809	FUR GOODS, APPAREL NO			100	3,204	78809
78952	WOMENS HANDRAGS AND PURSES DOZ	30	1,067	116	2,246	78952
78959	BILLFOLDS, WALLETS AND COIN PURSES DOZ			9	222	78959
78999	APPAREL ACCESSORIES N E S		2,907		3,778	78999
79012	ROOTS & SHOES MENS & BOYS LAST-MADE PAIR	5,998	16,249	45	264	79012
79014	BOOTS SHOES WOMEN & GIRLS LAST-MADE PAIR	69	276	535	2,150	79014
79046	UTILITY FOOTWEAR, FABRIC TOPS PAIR	1,610	3,060	2,500	7,118	79046
79081	SKI BOOTS PAIR	19,616	188,240	19,832	219,430	79081
79099	FOOTWEAR N E S PAIR	17,338	48,413	43,016	150,228	79099
80049	TOILET PREPARATIONS & COSMETICS NES				38,790	80049
83237	SKIS PAIR	11,120	140,120	7,280	104,923	83237
83289	SPORTING RECREATION EQUIP & PTS NES		1,631		8,218	83289
83709	GAMES AND ENTERTAINMENT EQUIP N E S		237		1,790	83709
83736	ELECTRIC TOYS AND PARTS				1,890	83736
83789	TOYS AND PARTS N E S		1,548			83789
84432	ORIENTAL RUGS, GENUINE SQ FT	4,022	9,527			84432
84499	CARPETS, RUGS, MATS AND RUNNERS NES		603		1,344	84499
84639	BLANKETS N E S NO				4,093	84639
84699	BECCING, TEXTILE N E S		1,075			84699
84711	TABLECLOTHS LB	109,626	79,420	150,226	105,606	84711
84803	TOWELS, COTTON, TERRY LB			39,404	29,737	84803
84805	TOWELS, COTTON N E S LB	35,384	27,398			84805
84999	HOUSE FURNISHINGS AND SUPPLIES NES				924	84999
85013	COOK. UTENSILS VITREOUS ENAMEL & PT		31,731		92,444	85013
85039	FOOD PREP. AND STORAGE UTENSILS NES		34,177		36,395	85039
85044	FOOD CHOPPERS, CUTTERS, HAND & PTS		2,533		2,534	85044
85049	KITCHEN TOOLS & HAND APPL & PTS NES		15,209		18,466	85049
85059	KITCHEN AND TABLE CUTLERY N E S		5,785		12,230	85059
85062	TABLEWARE, CERAMIC		2,355		351	85062
85063	TUMBLER & STEAMWARE GLASS OR CRYSTAL		29,720		38,626	85063
85064	TABLEWARE, GLASS N E S		241			85064
85069	TABLEWARE N E S		326		1,991	85069

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		QUANTITY	VALUE	QUANTITY	VALUE	
			\$		\$	
	<u>YUGOSLAVIA CON</u>					
86216	PARTS OF DOMESTIC SEWING MACHINES		40,052		1,307	86216
86608	MATCHES EXCEPT BOOK MATCHES		1,220			86608
86712	TRAYS				304	86712
86716	HHOLD BASKETS BOXES CANS & BAGS NES		26,924		34,746	86716
86732	ART AND DECORATIVE WARE N E S		1,346		2,690	86732
86739	WARDROBE ACCESSORIES, BAGS, COVERS		62,296		50,095	86739
86799	HOUSEHOLD EQUIPMENT AND PARTS N E S		5,527		10,889	86799
87199	BIOLOGICAL PRODUCTS FOR HUMANS NES		8,155			87199
87299	ANTIBIOTICS N E S				20,575	87299
87405	ASCORBIC ACID, VITAMIN C, AND SALTS		1,263		1,263	87405
87499	VITAMINS AND PREPARATIONS N E S				1,008	87499
87950	SULFONAMIDES AND THEIR SALTS		692		681	87950
89104	NEWSPAPER SUPPLEMENTS SECTIONS & PT				715	89104
89108	NEWSPAPERS, UNBOUND N E S		3,172		30,950	89108
89129	MAGAZINES AND PERIODICALS N E S		6,489		808	89129
89341	BOOKS AND PAMPHLETS NES EXC ENGLISH		2,119		850	89341
89349	BOOKS AND PAMPHLETS N E S		2,146		737	89349
89581	TOURIST LITERATURE		2,482			89581
90504	ARTISTS BRUSHES AND HAIR PENCILS				1,305	90504
91204	PROJECTORS, STILL PICTURE			500	2,926	91204
91813	MOTION PICTURE FILM, SOLD, EXPOSED FT			7,546	604	91813
94604	DRAWINGS, ETCHINGS & ENGRAVING ORIG NO			116	5,863	94604
94608	PAINTINGS AND PASTELS, MADE BY HAND NO	7	6,121			94608
94620	SCULPTURES AND STATUES, ORIGINAL NO	4	4,249	5	2,640	94620
94640	COLLECTIONS & COLLECTORS ITEMS NES		3,851			94640
94929	SIGNS AND ADVERTISING DISPLAYS NES		6,311			94929
94995	NOVELTIES AND ART GOODS N E S				3,926	94995
95029	SHIPPING CONTAINERS METAL & PTS NES		2,410			95029
95066	SHIPPING CONTAINERS WOODEN & PT NES				507	95066
96109	LEATHER END PRODUCTS N E S				2,267	96109
97010	IMPORT PACKING, RE-USABLE NOT DESCR		26,733		47,712	97010
97030	GOODS RETURNED WITHIN FIVE YEARS		2,766		35,091	97030
97075	SHIPMENTS OF LESS THAN \$200.00 EACH		39,156		30,081	97075
			4,724,547		5,631,686	

Source: D.B.S. Trade of Canada

